

HOUSE BILL No. 1663

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-9-41.

Synopsis: Johnson County innkeepers' tax. Authorizes the county council of Johnson County to impose an innkeepers' tax at a rate not to exceed 7%. Provides that the tax revenue from 3.5% of the rate is dedicated to visitor and tourism promotion and the remainder, if any, is dedicated to parks and recreation. Provides that if a pledge of innkeepers' tax revenue has been made for bonds or leases, the tax revenue from 3.5% of the rate must be used for improving Johnson County Park.

Effective: Upon passage.

Burton

January 16, 2009, read first time and referred to Committee on Ways and Means.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1663

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-9-41 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
3 PASSAGE]:

4 **Chapter 41. Johnson County Innkeepers' Tax**

5 **Sec. 1. (a) This chapter applies to Johnson County.**

6 **(b) Johnson County is uniquely positioned due to the following:**

7 **(1) The inclusion in the county of the northern portion of**
8 **Camp Atterbury, the state's premier military training and**
9 **mobilization center, within its boundaries.**

10 **(2) The proximity of Johnson County Park to Camp**
11 **Atterbury.**

12 **(3) The location of Hoosier Horse Park, originally constructed**
13 **in conjunction with the 1987 Pan American Games, within the**
14 **grounds of Johnson County Park.**

15 **(4) The significant population growth experienced by the**
16 **communities in the county and the increasing demands made**
17 **for amenities such as park and recreation opportunities as a**



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1 result of the population growth.

2 (5) The county's location within the central Indiana
3 metropolitan area and the increased requirements for
4 facilities that will improve the quality of life in the central
5 Indiana metropolitan area.

6 Sec. 2. (a) The definitions in:

7 (1) IC 6-2.5-1; and

8 (2) IC 36-1-2;

9 apply throughout this chapter.

10 (b) The term "county" refers to Johnson County.

11 Sec. 3. (a) The county fiscal body may adopt an ordinance to
12 impose a tax on every person engaged in the business of renting or
13 furnishing, for periods of less than thirty (30) days, any room or
14 rooms, lodgings, or accommodations in any:

15 (1) hotel;

16 (2) motel;

17 (3) boat motel;

18 (4) inn;

19 (5) college or university memorial union;

20 (6) college or university residence hall or dormitory; or

21 (7) tourist cabin;

22 located in the county.

23 (b) The tax does not apply to gross income received in a
24 transaction in which:

25 (1) a student rents lodgings in a college or university residence
26 hall while that student participates in a course of study for
27 which the student receives college credit from a college or
28 university located in the county; or

29 (2) a person rents a room, lodging, or accommodations for a
30 period of thirty (30) days or more.

31 (c) The tax may not exceed the rate of seven percent (7%) on the
32 gross retail income derived from lodging income only and is in
33 addition to the state gross retail tax imposed under IC 6-2.5.

34 (d) The ordinance may include a provision to require the tax to
35 be reported on forms approved by the county treasurer and that
36 the tax will be paid monthly to the county treasurer. If such a
37 provision is included, the tax shall be paid to the county treasurer
38 not more than twenty (20) days after the end of the month the tax
39 is collected. If such a provision is not included, the tax shall be
40 imposed, paid, and collected in exactly the same manner as the
41 state gross retail tax is imposed, paid, and collected under IC 6-2.5.

42 (e) All the provisions of IC 6-2.5 relating to rights, duties,

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liabilities, procedures, penalties, definitions, exemptions, and administration are applicable to the imposition and administration of the tax imposed under this section except to the extent those provisions are in conflict or inconsistent with the specific provisions of this chapter or the requirements of the county treasurer. If the tax is paid to the department of state revenue, the return to be filed for the payment of the tax under this section may be either a separate return or may be combined with the return filed for the payment of the state gross retail tax as the department of state revenue may, by rule, determine.

(f) If the tax is paid to the department of state revenue, the amounts received from the tax imposed under this section shall be paid monthly by the treasurer of state to the county treasurer upon warrants issued by the auditor of state.

Sec. 4. Revenues from the tax imposed under this chapter may be used to:

(1) finance, acquire, construct, and improve Johnson County Park; and

(2) fund activities for visitor and tourism promotion in the county.

Sec. 5. (a) Except as provided in section 6 of this chapter, if a tax is imposed under section 3 of this chapter, the county fiscal officer shall establish:

(1) an innkeepers' tax revenue fund; and

(2) a visitor and tourism promotion fund.

(b) The county fiscal officer shall deposit in the innkeepers' tax revenue fund all amounts received under this chapter.

(c) Any money earned from the investment of money in any of the funds established under this section becomes a part of that fund.

Sec. 6. (a) The county may:

(1) use revenues from the tax collected under this chapter to pay all or part of the costs associated with the improvement of the park as described in section 4(1) of this chapter;

(2) issue bonds, enter into leases, or incur other obligations to pay any costs associated with the improvement of the park described in section 4(1) of this chapter;

(3) reimburse itself or any nonprofit corporation for any money advanced to pay those costs; or

(4) refund bonds issued or other obligations incurred under this chapter.

(b) Bonds or other obligations issued under this section:

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(1) are payable from money collected under this chapter, any other revenues available to the county, or any combination of these sources, in accordance with a pledge made under IC 5-1-14-4;

(2) must be issued in the manner prescribed by IC 36-2-6-18 through IC 36-2-6-20;

(3) may, in the discretion of the county, be sold at a negotiated sale at a price to be determined by the county or in accordance with IC 5-1-11 and IC 5-3-1; and

(4) may be issued for a term not to exceed twenty-five (25) years, such term to include any refunding bonds issued to refund bonds originally issued under this section.

(c) Leases entered into under this section:

(1) may be for a term not to exceed twenty-five (25) years;

(2) may provide for payments from revenues under this chapter, any other revenues available to the county, or any combination of these sources;

(3) may provide that payments by the county to the lessor are required only to the extent and only for the time that the lessor is able to provide the leased facilities in accordance with the lease;

(4) must be based upon the value of the facilities leased; and

(5) may not create a debt of the county for purposes of the Constitution of the State of Indiana.

(d) A lease may be entered into by the county executive only after a public hearing with notice given in accordance with IC 5-3-1 at which all interested parties must be provided the opportunity to be heard. After the public hearing, the executive may approve the execution of the lease on behalf of the county only if the executive finds that the service to be provided throughout the life of the lease will serve the public purpose of the county and is in the best interests of its residents. A lease approved by the executive must also be approved by an ordinance of the county fiscal body.

(e) Upon execution of a lease under this section, and after approval of the lease by the county fiscal body, the county executive shall publish notice of the execution of the lease and the approval of the lease in accordance with IC 5-3-1.

(f) An action to contest the validity of bonds issued or leases entered into under this section must be brought not later than thirty (30) days after the adoption of a bond ordinance or notice of the execution and approval of the lease, as applicable.

Sec. 7. (a) Money in the county innkeepers' tax revenue fund

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1 from a tax rate of three and five-tenths percent (3.5%) shall be
 2 transferred annually in two (2) substantially equal installments on
 3 or before May 10 and November 10 to the county visitor and
 4 tourism promotion fund established under section 5 of this chapter
 5 to be used by the board to encourage visitors and promote tourism
 6 in the county.

7 (b) Revenues not transferred in accordance with this section
 8 remain in the innkeepers' tax revenue fund and do not revert to the
 9 county general fund.

10 Sec. 8. (a) This section applies so long as there are any
 11 outstanding bonds issued or leases entered into for which a pledge
 12 of innkeepers' tax revenues has been made under section 6 of this
 13 chapter.

14 (b) Revenues from a tax rate of three and five-tenths percent
 15 (3.5%) shall be used to:

16 (1) finance, acquire, construct, and improve Johnson County
 17 Park;

18 (2) to pay:

19 (A) debt service on bonds or other obligations; or

20 (B) lease rental payments on leases entered into;

21 to finance the acquisition, construction, and improvement of
 22 Johnson County Park.

23 Sec. 9. (a) A seven (7) member board of managers (referred to
 24 as the "board" in this chapter) is established to promote the
 25 development and growth of the convention and tourism industry
 26 in the county.

27 (b) The county fiscal body, by majority vote, shall appoint five
 28 (5) members of the board, two (2) of whom must be engaged in the
 29 lodging industry in the county, and one (1) of whom must be
 30 engaged in the travel or tourism industry in the county.

31 (c) The executives of the two (2) cities with the greatest
 32 population in the county shall each appoint one (1) member of the
 33 board.

34 (d) All terms of office begin on January 1 and end on December
 35 31. Members of the board appointed by the county council serve
 36 one (1) year terms, and the other members of the board serve two
 37 (2) year terms. If a vacancy occurs, a qualified person shall be
 38 appointed by the original appointing authority to serve for the
 39 remainder of the term.

40 (e) A board member may be removed for cause by the member's
 41 appointing authority.

42 (f) Members of the board may not receive a salary. However,

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board members shall receive reimbursement for necessary expenses incurred in the performance of their respective duties.

(g) Each board member, before entering the member's duties, shall take an oath of office in the usual form, to be endorsed upon the member's certificate of appointment, which shall be promptly filed with the clerk of the circuit court of the county.

(h) The board shall meet after January 1 each year for the purpose of organization. It shall elect one (1) of its members president, another as vice president, another as secretary, and another as treasurer. The members elected to those offices shall perform the duties pertaining to these offices. The officers chosen shall serve from the date of their election until their successors are elected and qualified. A majority of the board constitutes a quorum, and the concurrence of a majority of the board is necessary to authorize any action.

Sec. 10. (a) The board may:

(1) accept and use gifts, grants, and contributions from any public or private source, under terms and conditions which the board deems necessary and desirable;

(2) sue and be sued;

(3) enter into contracts and agreements;

(4) make rules and regulations necessary for the conduct of its business and the accomplishment of its purposes;

(5) use money in the visitor and tourism promotion fund for the promotion of visitors and tourism in the county;

(6) receive and approve, alter, or reject requests and proposals for funding by corporations qualified under subdivision (7);

(7) after its approval of a proposal, transfer money, quarterly or less frequently, from the tourism and visitor promotion fund established under section 5 of this chapter, to any Indiana nonprofit corporation for the purpose of promotion and encouragement in the county of conventions, tourism, trade shows, visitors, or special events; and

(8) require financial or other reports from any corporation that receives funds under this chapter.

(b) A majority of the board constitutes a quorum for the transaction of business, and the concurrence of a majority of those present is necessary to authorize any action.

Sec. 11. All funds coming into possession of the board shall be deposited, held, secured or invested and paid in accordance with the general laws of the state relating to the handling of public

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1 funds. The handling and expenditure of funds coming into
 2 possession of the board is subject to audit and supervision by the
 3 state board of accounts.

4 **Sec. 12. With respect to:**

5 (1) bonds, leases, or other obligations for which a pledge of
 6 revenues from the innkeepers' tax has been made by the
 7 county as set forth in section 8 of this chapter; and

8 (2) bonds issued by a lessor that are payable from lease
 9 rentals;

10 the general assembly covenants with the county, the purchasers or
 11 owners of the bonds or other obligations described in subdivision
 12 (1), and the owners of bonds described in subdivision (2) that this
 13 chapter will not be repealed or amended in any manner that will
 14 adversely affect the imposition or collection of the innkeepers' tax
 15 as long as the principal of any bonds, the interest on any bonds, or
 16 the lease rentals due under any lease are unpaid.

17 **Sec. 13. The financing of improvements to Johnson County Park**
 18 **serves a public purpose and is of benefit to the general welfare of**
 19 **the county by encouraging investment, job creation and retention,**
 20 **and economic growth and diversity.**

21 **SECTION 2. An emergency is declared for this act.**

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